

Abstract

Title: Tax aspects of disposal of cryptocurrencies

This thesis aims to answer the selected questions from the legal and, above all, the tax-law framework. Cryptocurrencies are a fairly young phenomenon, which is still developing. They are mainly used as an alternative to state-recognized currencies or a specific investment instrument. Because of the significant profits that transactions can bring with them, the issue of determining related tax obligations is important.

The work is divided into 4 basic parts. The first part deals with the general definition of the cryptocurrencies and other relevant institutes. The second part deals with personal income tax and the third part deals with value added tax. The final fourth part deals with the issue of the future development of cryptocurrencies regulation.

In the first part, focus is placed on the general definition of cryptocurrencies within the rule of law, with emphasis on comparison with selected traditional institutes of financial law. Attention is also paid to the specific features of cryptocurrencies that are relevant in terms of tax administration and related tax duties. Considerable attention is also paid to the criminal law consequences that might arise in the event of non-compliance with tax obligations. At the end of this section, the concept of tax, including its characteristics, is also analyzed.

The second part deals with the income tax on natural persons. Individual types of income are analyzed depending on the existence of the element of cryptocurrencies. A more profound analysis is subject to revenue from a separate activity that relates to activities associated, for example, with the mining of cryptocurrencies. Particular emphasis is then placed on the field of other incomes, which is applied in the case of taxation of profits from investment purchases and sales of cryptocurrencies within the scope of management of own assets.

The third part analyzes tax implications related to value added tax. The relevant European case law is subject to analysis, which draws conclusions generally applicable to VAT. Further, the tax obligations are mentioned in relevance to mining of cryptocurrencies, or in the purchase and sale of goods and services for them.

The last part of the thesis includes a discussion of possible future developments in the field of virtual currency regulation. Particular attention is paid to the statements of the representatives of the Czech National Bank, which is logically offered as a possible regulator for this area.